

Letter Re: Opposition to Final Plan

June 29, 1909.

Mr. W. P. Beyer,
33 N. Duke Street,
Lancaster, Pa.

My dear Beyer:-

I have your letter of June 28th. Hutchinson tells me that Mr. Colgate, who is an underwriter to the extent of \$250,000, as are also Sanderson and Porter, are backed by substantial financial interests, but of course I cannot tell whether they are strong enough to prevent the plan advocated by Barnum from being carried out. I will let you know anything that I hear upon the subject, and I would be obliged to you if you would telegraph me immediately upon the filing of any bill in Pennsylvania for your receivership of the McCall Ferry Power Co. I would like to have prompt information upon this subject and will rely upon you to give it to me.

Very sincerely yours,

LS-T

Notice to Knickerbocker Trust Company of Default on
Bond Interest

To KNICKERBOCKER TRUST COMPANY,

of the County and State of New York:

The undersigned hereby notify you that William M. Earnum, A. C. Bedford, S. Reading Bertron, Charles A. Coffin and Gardiner M. Lane, as Trustees under the "Plan and Agreement" dated May 28th, 1909, a copy whereof is hereto attached, hold \$7,400,000 in aggregate principal amount of first mortgage 5% gold bonds of the McCall Ferry Power Company, outstanding under a mortgage or deed of trust from the McCall Ferry Power Company to Knickerbocker Trust Company, dated June 15, 1905, and that under the terms of said Plan and Agreement whereby the legal title to said bonds is vested in said Trustees, it is provided that said Trustees may act by a majority thereof either at a meeting or in writing without a meeting.

The undersigned, a majority of said Trustees, hereby notify you that the McCall Ferry Power Company defaulted in the payment of the interest due on December 15, 1908, on the bonds issued and outstanding under the said mortgage, and that such default has continued for more than six months; and we further notify you that said Trustees, the holders as aforesaid of more than a majority in interest of the bonds secured under said mortgage now outstanding, have elected and do elect that the entire principal sum secured

by said mortgage and the interest due thereon shall become and be immediately due and payable, and we request that you notify the McCall Ferry Power Company of this election.

In behalf of said Trustees we further request you to take forthwith appropriate legal proceedings for the foreclosure of the lien of said mortgage, and to enforce your rights as trustee, and the rights of the bondholders under said mortgage, and hereby agree to indemnify you against any expense or liability incurred by you in taking or causing such proceedings to be taken.

IN WITNESS WHEREOF the undersigned, a majority of said Trustees, have executed these presents this *sixth* day of July, 1909.

W. M. Barnum

A. B. Bedford

Charles A. Coffin

Gardiner M. Lane

STATE OF NEW YORK, :
: ss:
COUNTY OF NEW YORK, :

On this *6th* day of July, 1909, before me personally

came *Wm M. Barnum, A. C. Bedford*³
Charles A. Coffin and Gardner M. Fane.
to me known and known to me to be the individuals described
in and who executed the foregoing instrument, and they duly
severally acknowledged to me that they executed the same.

Ross A. Mackey

(Seal)

Solely Teste
King County
Certificate filed for New York County

Order Appointing Aldred Receiver

CIRCUIT COURT OF THE UNITED STATES

FOR THE EASTERN DISTRICT OF PENNSYLVANIA.

KNICKERBOCKER TRUST COMPANY, :

Complainant, :

vs. :

IN EQUITY.

McCALL FERRY POWER COMPANY, :

Defendant. :

This cause coming on to be heard on the bill of complaint and the answer of the defendant admitting all the allegations of the bill, and consenting to the appointment of a Receiver, and the Court having heard the counsel for the respective parties, and duly considered the matters involved, it is now, on motion of Frank P. Prichard, Esq., of counsel for the complainant; Franklin H. Mills, Esq., of counsel for the defendant appearing and assenting,

ORDERED, ADJUDGED AND DECREED, that J. Edward Aldred, Esq., be, and he is hereby, appointed Receiver of all and singular the property, real and personal, equitable interests, contracts, things in action, effects, moneys, receipts, earnings, rights, privileges, franchises, and immunities, of every kind and description, of the defendant McCall Ferry Power Company, wheresoever situated, to hold the same as the officer of and subject to the order of this Court, with all the powers, rights and duties of receivers in like cases, and with the powers, rights and duties herein set forth.

Said Receiver shall forthwith enter upon and take possession of all and singular the said property, real and personal, equitable interests, contracts, things in action, effects, moneys, receipts, earnings, rights, privileges, franchises and immunities, and have, hold, use preserve, manage, exercise and enjoy the same, acting in all things subject to the supervision of the Court.

The defendant McCall Ferry Power Company and its officers, directors, agents and employees, and all persons and corporations are hereby required and commanded forthwith to turn over and deliver to the said Receiver, or his duly constituted representative, all of the property of the defendant, including all books of account, vouchers, papers, deeds, contracts, bills, notes, accounts, money or other property of said Company in its or their hands, or under its or their hands, or under its or their control, wheresoever situated, and they and each of them, and all persons or corporations whatsoever are hereby enjoined and restrained from interfering with any of the property of the defendant, or from transferring, selling or disposing of the same except to said Receiver, or from taking possession of and levying upon, or attempting to sell, either by judicial process or otherwise, any of said property, or from interfering or intermeddling with said Receiver in any manner in the possession, control, management and use of said property.

Said Receiver is further directed to pay the wages and salaries, if any, due to the clerks, agents and employees of the defendant, accruing since the 1st. day of July, 1909, and is hereby invested with full power at his discretion to employ and discharge and fix and pay the compensation of all such counsel, managers, agents and employees as may be required for the proper discharge of the duties of his trust, and to pay all current expense incident to the creation, ~~and~~ administration of this trust and to the preservation of the property and business hereby entrusted to him.

Said Receiver is hereby authorized to collect by suit or otherwise, and receive all income from the said property, and all debts due the defendant of every kind, and to institute and prosecute all such suits as he may deem necessary to recover and protect the property and trust hereby invested in him, and to defend all actions instituted against him as such Receiver, and also to appear in and conduct the prosecution or the defense of any suits wherein the defendant may be a party.

Said Receiver shall cause to be kept just, full and true accounts of his receipts and disbursements, and shall report his doings to this Court with such account from time to time, and said Receiver may apply to this Court for instructions, and for such further order or orders in respect to his actions as said Receiver may from time to time deem necessary or advisable.

Said Receiver shall within ten days from the date hereof, or within such further time as may be allowed by the Court for this purpose, make and file with the Clerk of this Court, a proper bond, with sufficient surety, or sureties, to be approved by a Judge of this Court, in the penal sum of \$50,000-, conditioned for the faithful performance of his duties as such Receiver, and that he will in all respects obey the order of this Court as such Receiver.

Said Receiver, and any party to this cause, may at any time apply to the Court for further decree in the cause.

Dated, July 17, 1909.

Geo. Gray

Circuit Judge.

ENDORSED:- 329 Apr. S. 1909. C. C. OF THE U. S. FOR THE ED. OF PA. KNICKERBOCKER TRUST COMPANY, Complainant, against MCCALL FERRY POWER COMPANY, Defendant. ORDER APPOINTING RECEIVER. JOHN G. JOHNSON, DAVIES, STONE & AUERBACH, Solicitors for Complainant. Filed Jul. 17, 1909 HARRY B. Robb, Clerk. By L. Deputy Clerk.

UNITED STATES OF AMERICA,

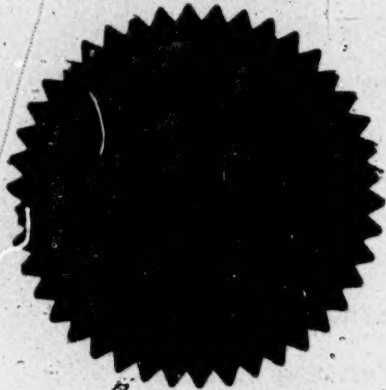
Eastern District of Pennsylvania,

SCT.

I, HENRY B. ROBB, Clerk of the Circuit Court of the United States of America for the Eastern District of Pennsylvania, in the Third Circuit, do hereby Certify the foregoing to be a true and faithful copy of the original order appointing receiver in the case of Knickerbocker Trust Co. versus McCall Ferry Power Co. No. 329 April Session, 1909, filed July 17th, 1909

on file and now remaining among the records of the said Court in my office.

In Testimony Whereof, I have hereunto subscribed my name and affixed the seal of the said Court at Philadelphia, this 20th day of July in the year of our Lord one thousand nine hundred and nine, and of the Independence of the United States the one hundred and thirty fourth



Henry B. Robb
Clerk of C. C.

By

Dea Dley
Deputy Clerk

**Contract With Empire Engineering Corporation for
Additional Construction**

THIS MEMORANDUM OF AGREEMENT, made this 16 day of August, 1909, between J. E. ALDRED, as Receiver in the suit below named, (hereinafter called the Receiver), and THE EMPIRE ENGINEERING CORPORATION, a corporation organized under the laws of the State of New York, and having an office at 60 Wall Street, New York City, (hereinafter called the Corporation),

WITNESSETH, That WHEREAS said J. E. Aldred was appointed Receiver of all the property of the McCall Ferry Power Company by an order entered in the Circuit Court of the United States for the Eastern District of Pennsylvania, on the 17th day of July, 1909, in a suit entitled Knickerbocker Trust Company vs. McCall Ferry Power Company, and

WHEREAS it is the intention of the Receiver to continue the work of construction on the hydro-electric development of the McCall Ferry Power Company, near McCall Ferry, Pennsylvania, doing the work in the most economical manner possible, and completing the main dam, ice spillway, fishway, deflecting dam, power-house substructure, power-house superstructure, and such other work as may be necessary to put the plant in shape for the installation of hydraulic and electric equipment of a capacity of fifty thousand horse power, but leaving unfinished the other portions of the development; and

WHEREAS the Receiver desires to obtain the services of the Corporation in connection with the work of construction;

NOW, THEREFORE, in consideration of the payments and agreements herein described, IT IS MUTUALLY AGREED:

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(1) The Receiver agrees to employ, and hereby does employ, the Corporation as engineers and supervisors of construction of the work on said hydro-electric development, and the Corporation agrees to accept such employment and duly and faithfully perform the duties appertaining thereto.

(2) The Corporation is to carry out such part of the necessary work as may be ordered by the Receiver, in accordance with plans and specifications to be approved by the Corporation. For the purpose of doing this work, the Corporation is to give the Receiver the benefit of the services of the general officers of the Corporation, and is to permit to work thereon, at the expense of the Receiver, as many of the original force of the McCall Ferry Power Company, now employed by the Corporation, as may be deemed necessary by the Receiver. It is further understood and agreed that in view of the fact that Mr. Beverly R. Value, now acting as Executive Engineer of the Corporation, was formerly connected with the work of the McCall Ferry Power Company on said development, and is familiar with the plans therefor, said Value is to give to the work covered by this agreement his constant attention and such personal attendance at McCall Ferry as may be necessary to insure the completion of the work in a substantial and workman-like manner.

(3) Subject to the approval of the Receiver as to the men and the compensation to be paid them, the Corporation is to ~~employ~~ ^{use} all the force to carry on the work, except such men as may be required in the accounting and paymaster's department, who are to be employed by the Receiver. The Receiver is to pay for all labor and services, except for the services of the President, Vice-

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President, Executive Engineer and Secretary and Treasurer of the Corporation. The Receiver is to furnish and pay for all material and supplies.

(4) For all services to be performed under this agreement in connection with work to the amount of \$600,000, the Receiver is to pay to the Corporation the sum of \$0,000, payable on or before the 15th day of each month in installments equal to ten per cent. of the cost of the work done during the preceding calendar month, except as hereinafter stated. If the Receiver shall request the Corporation to perform like services in connection with work involving a greater cost than \$600,000, the Corporation is to receive a commission of eight per cent. on the cost of the additional work. The cost of the work, for the purpose of ascertaining the compensation of the Corporation, is to be considered as including the cost of the material and labor as above described, and is not to include the salary of any officer of the Corporation. The receiver is to furnish all the plant and money required to carry out the undertaking. The Receiver agrees that if less than \$600,000 worth of work is performed, the compensation of the Corporation is to be \$60,000, unless this agreement is terminated as in the sixth paragraph provided.

(5) It is further agreed that the Corporation is to be responsible for the completion in a substantial and workmanlike manner of all work to be supervised or done by it.

(6) Upon any neglect or failure on the part of the Corporation diligently and promptly to carry out the terms of this agreement according to the true intent and

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meaning thereof, the Receiver is to have the right to terminate the agreement on thirty days' notice, and both parties shall thereupon, at the expiration of such thirty days, be relieved from further obligations hereunder, except that moneys theretofore earned by the Corporation but not paid shall thereupon be paid to it forthwith.

(7) It is understood that it is the intention that the property of the McCall Ferry Power Company is upon foreclosure to be vested in a new corporation, and it is intended that the obligations of this agreement on the part of the Receiver shall be taken over by such new corporation, and it is agreed that the Corporation will accept such new corporation in the place and stead of the Receiver and discharge the Receiver from liability hereunder; subject, however, to the understanding that the new corporation shall be of adequate financial ability to carry out the provisions hereof.

(8) It is further understood and agreed that the Receiver is about to apply for leave of court to enter upon the work of construction herein described, and for authority to make this agreement, and that until such leave be obtained this contract shall not be binding upon either party, but shall thereupon become binding and in full force and effect.

IN WITNESS WHEREOF this instrument has been execu-

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ted by the parties hereto the day and year first above
written.

Receiver as aforesaid.

THE ENTIRE ENGINEERING CORPORATION

By

President

Attest:

Secretary.

MEMORANDUM OF AGREEMENT made this 22nd day of July, 1910, by and between PENNSYLVANIA WATER & POWER COMPANY party of the first part, hereinafter called the Power Company, and the EMPIRE ENGINEERING CORPORATION, party of the second part, hereinafter called the Corporation.

WITNESSETH that WHEREAS a contract dated August 16, 1909, between J. E. Aldred, Receiver of the McCall Ferry Power Company and the Empire Engineering Corporation, is in existence; and

WHEREAS it^a is therein provided as follows:

"It is understood that it is the intention that the property of the McCall Ferry Power Company is upon foreclosure to be vested in a new corporation, and it is intended that the obligations of this agreement on the part of the Receiver shall be taken over by such new corporation, and it is agreed that the Corporation will accept such new corporation in the place and stead of the Receiver and discharge the Receiver from liability hereunder; subject, however, to the understanding that the new corporation shall be of adequate financial ability to carry out the provisions hereof; and

WHEREAS a new Company by the name of Pennsylvania Water & Power Company has been formed under the laws of the State of Pennsylvania and has taken over all the property of the McCall Ferry Power Company and has assumed the carrying out of the provisions of the said contract.

Now for divers good and valuable considerations moving from each party hereto to the other party hereto, it is agreed first, that the Power Company assumes all the covenants contained in said contract, to be performed on the part of the said J. E. Aldred, Receiver, and agrees to make

all payments required by the said contract, to be made by the said J. E. Aldred, Receiver; second, that the Corporation assents to the assignment of the said contract by the said J. E. Aldred, Receiver to the Power Company, and agrees as between it and the Power Company to perform the said contract in every particular and abide by each and every of the provisions thereof binding upon it.

IN WITNESS WHEREOF the parties hereto have executed this agreement the day and year first above written.

PENNSYLVANIA WATER & POWER CO.

Chas. E. Clark
VICE PRESIDENT

Shuman P. Lewis
SECRETARY

EMPIRE ENGINEERING CORPORATION.

Wm. Barclay Parsons
President.

*Attest
W. L. Ladd*
SECRETARY & TREASURER

**Agreement for Deposit of Bonds With Trustee to Secure
Loans to Bondholders Committee**

AGREEMENT, made the 8th day of September, nineteen hundred and nine, between WILLIAM M. BARNUM, A. C. BEDFORD, S. READING BERTRON, CHARLES A. COFFIN and GARDINER M. LANE, as the Committee named in the "McCall Ferry Power Company Plan and Agreement" dated May 28th, 1909, (hereinafter called the Committee,) and KNICKERBOCKER TRUST COMPANY, a corporation of New York, hereinafter called the Trustee.

WHEREAS, the Committee, in order to borrow money for purposes authorized in and by said Plan and Agreement, has determined to execute and issue a series of notes, limited in amount as hereinafter provided, and to secure the same as provided herein; and

WHEREAS, said notes are to be payable either to bearer or to the registered holder, and the notes payable to bearer are to be in substantially the following form:

[FORM OF BEARER'S NOTE.]

No.....

\$.....

FOR VALUE RECEIVED, William M. Barnum, A. C. Bedford, S. Reading Bertron, Charles A. Coffin and Gardiner M. Lane, as the Committee named in the "McCall Ferry Power Company Plan and Agreement" dated May 28, 1909, but not individually, promise to pay to bearer
dollars (\$)) with interest at five
per cent. (5%) per annum from date until paid,
at the office of the Knickerbocker Trust Company,
in the City of New York, on the first day of

January, 1910, subject to the provisions as to extension of time of payment in the Trust Agreement hereinafter mentioned.

This note is one of a series of notes issued under a certain Trust Agreement between said Committee and the Knickerbocker Trust Company, dated the 8th day of September, 1909, and is subject to all the terms and provisions thereof.

This note shall not be binding until the certificate hereunder shall be signed by said Trustee.

Witness the signatures of a majority of said Committee, the day of , 1909.

and the notes payable to the registered holder are to be in substantially the same form except that they are to be payable to the registered holder instead of to bearer, the name of the registered holder and any transfers to be noted on the back thereof;

and each of said notes is to bear thereon a certificate signed by the Trustee in form as follows:

[FORM OF TRUSTEE'S CERTIFICATE.]

This is one of the notes described in the Trust Agreement above mentioned.

KNICKERBOCKER TRUST COMPANY,
Trustee,

By

and the amount of principal of each note is to be five hundred dollars (\$500) or a multiple thereof.

NOW, THEREFORE, THIS AGREEMENT WITNESSETH: That in order to secure the payment of said notes and the in-

terest thereon and to declare the terms and conditions on which said notes are to be issued, received and held, the parties hereto, in consideration of the premises and of One Dollar to each paid, receipt whereof is acknowledged, hereby agree and provide as follows:

ARTICLE I.

The Committee hereby assign and transfer to the Trustee the bonds of the McCall Ferry Power Company, secured by mortgage to Knickerbocker Trust Company, dated June 15, 1905, which are delivered to the Trustee herewith, being bonds for the principal sum in the aggregate of Eight million five hundred thousand dollars (\$8,500,000), and also any further such bonds or other securities which the Committee may hereafter deliver to the Trustee to be received hereunder (said bonds and other securities being hereafter referred to as "the collateral"); the same to be held by the Trustee, its successors and assigns, in trust for the benefit of the holders of said notes and to secure the payment thereof without preference of any of said notes over any other, upon and subject to the following terms and conditions:

ARTICLE II.

Said notes, at any time or times, shall be certified and delivered by the Trustee upon and according to the written order of a majority of the Committee; provided that the aggregate amount of the principal of such notes at any time outstanding shall not exceed twenty per cent. of the principal of the bonds of the McCall Ferry Power Company, described as aforesaid, delivered to and held by the Trustee hereunder.

Upon receipt by the Committee and the Trustee of

evidence satisfactory to them of the loss or destruction of any outstanding note secured hereby, and of indemnity satisfactory to them, the Committee may execute and the Trustee shall certify and deliver a new note of like tenor.

If the holder of any note shall demand of the Committee that there be substituted therefor several notes for the same aggregate principal, the principal of each to be \$500 or some multiple thereof, such substitution shall be made by the execution, certification and delivery of such new notes and cancellation of such old note.

ARTICLE III.

If the Committee shall use any money received for or upon any notes issued hereunder to make advances for purposes of construction to the Receiver who now holds the property of the McCall Ferry Power Company, and shall receive from said Receiver certificates or evidences of indebtedness for such advances, such certificates or evidences of indebtedness shall forthwith be transferred and delivered to the Trustee hereunder and be deemed part of the collateral. If further bonds of the McCall Ferry Power Company shall be deposited under said Plan and Agreement and shall in such way or in any other way come within the control of the Committee so that they may do so, the Committee shall forthwith transfer and deliver the same to the Trustee to be held as part of the collateral.

ARTICLE IV.

The Committee reserves and may continue to exercise the right and power to speak for and as the owners of bonds and of any receiver's certificates or evidences of indebtedness which are or may hereafter be delivered and held hereunder in suits pending or which may be brought

upon, or under or in respect to the mortgage securing said bonds, and the right and power to use the same in making payments on account of the purchase price in case the Committee or its representative or representatives shall purchase the property of the McCall Ferry Power Company or any part or parts thereof at any sale made under said mortgage, or under judgment or decree based thereon, and generally all rights and powers given them in and by said Plan and Agreement (except only the power to further pledge said bonds while any notes secured hereby shall remain unpaid), so far as may be necessary to carry out the purposes of said Plan and Agreement, and the Trustee shall deliver said bonds, and receiver's certificates or evidences of indebtedness or any of them, to or according to the written order of a majority of the Committee, whenever a majority of the Committee shall deliver to the Trustee a certificate in writing, signed by them, that such delivery is necessary in order to carry out such purposes; it being understood that so long as any notes secured hereunder shall be unpaid, the Committee shall hold whatever it may acquire by any use of such bonds or receiver's certificates or evidences of indebtedness in trust charged primarily, in the stead thereof, to secure such notes, and shall as soon as reasonably may be transfer to the Trustee to become part of the collateral hereunder whatever it may so acquire.

ARTICLE V.

If default shall be made in the payment of principal or interest of any of said notes, the Trustee, if requested in writing by the holders of any of them so to do, shall, by such officer or officers, agent or agents as it may appoint, sell the collateral or such part or parts

thereof as it shall deem necessary or proper to discharge said notes and interest thereon and all charges hereunder, without demand of payment or notice, except as hereinafter provided. The collateral may be so sold at one or more times and in one or more lots, and any such sale shall be made at public auction after advertisement for not less than twenty days in two daily papers published in the City of New York.

Notice of its intention to make any such sale, stating the time and place, shall be mailed by the Trustee at least ten (10) days before the date of sale, in the City of New York, in a post-paid wrapper, addressed to William M. Barnum, Chairman, at 62 Cedar Street, New York City, or at such other address as the Committee may have given to the Trustee for the purpose. The Trustee shall not, however, be obliged to make any sale pursuant to such notice. The Trustee may adjourn any sale in whole or in part and proceed according to such adjournment without further notice; or the Trustee may discontinue or abandon any sale in whole or in part, giving notice, as aforesaid of further intended sales. At any such sale the Trustee or the holder or holders of any of the notes hereby secured may purchase any or all of the collateral then sold and may hold the same thereafter absolutely and free from any claims of the Committee. After deducting all expenses of or incidental to the sale and other charges of the Trustee, the Trustee shall apply the proceeds, with any cash held by it hereunder, to the payment of said notes, principal and interest, without preference as between them; and shall account for and pay over and deliver to the Committee, its successors or assigns, the surplus, if any, and any of the collateral, remaining after said notes shall have been paid in full.

ARTICLE VI.

It is agreed, and to this every holder of notes issued hereunder assents, by accepting said notes respectively, that the time for the payment of all said notes shall, if neither of the events hereinafter in this Article stated shall have occurred before January 1, 1910, be extended so that said notes shall not be deemed to be due or payable until either (1) the New Company provided for in said Plan and Agreement shall have been formed and vested with the properties of the McCall Ferry Power Company as proposed in said Plan and Agreement, or (2) sale of such properties under judgment or decree based upon the mortgage securing said bonds, to a purchaser or purchasers other than the Committee or its representatives, shall have been duly confirmed and consummated by payment of the purchase price therefor.

It is agreed also, and to this every holder of notes issued hereunder in like manner assents, that the members of the Committee individually shall not be liable upon or with respect to said notes, but that said notes and this agreement shall bind the Committee only as such Committee with respect to their powers and duties under said Plan and Agreement.

ARTICLE VII.

The Trustee need not take notice of any default hereunder, unless specifically notified thereof in writing by one or more holders of notes hereby secured. It shall not be liable or responsible with respect to its acts or omissions hereunder except for its own gross negligence or wilful default, nor be liable or responsible for any acts or omissions of the Committee hereunder or of any agent, attorney or employee by the Trustee employed.

hereunder, if selected with reasonable care. It shall be under no obligation to take any proceedings to enforce this agreement or protect the interests of the noteholders hereunder, unless it shall have been indemnified to its satisfaction in respect thereof. It makes no representations as to the validity of this agreement or of the notes secured hereby nor as to the validity or value of the collateral, and is not responsible for any recital herein or in said notes. The Committee shall pay to the Trustee reasonable compensation and shall pay all expenses incurred by the Trustee hereunder, including all legal expenses; and for such compensation and expenses the Trustee shall have a first lien upon the collateral.

The Trustee may rely upon the certificate of a majority of the Committee as to the existence of any fact which the Trustee may desire to determine hereunder, or as to the necessity of any action under the Plan and Agreement; the Trustee shall be under no responsibility to see to the use or application of said notes, or any of them, or of the proceeds thereof. The Trustee may resign by delivering to the Committee notice of such resignation and by publishing such notice twice a week, for three successive weeks, in *The New York Times*. In case of any vacancy in the office of Trustee, the Committee may appoint a new Trustee, a trust company in the City of New York, and upon such appointment shall publish notice thereof, twice a week, for three successive weeks, in *The New York Times*.

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IN WITNESS WHEREOF, the said Committee has caused these presents to be executed in its behalf by a majority of its members, and the Trustee has caused these presents to be signed by its Vice President and its corporate seal to be hereunto affixed and attested by its Secretary, the day and year first above written.

WM. M. BARNUM	} Majority of Committee.
A. C. BEDFORD	
GARDINER M. LANE	

KNICKERBOCKER TRUST COMPANY,

by F. C. WALCOTT

[CORPORATE SEAL]

Vice President.

Attest

H. A. DUNN

Secretary.

Minutes of Pennsylvania Water & Power Company,
March 3, 1910

A. WALL, PRESIDENT.
L. RINTOUL, VICE PRESIDENT.
A. ALLNER, VICE PRESIDENT.

J. E. O'CONNOR, TREASURER.
F. J. ALLEN, SECRETARY.

Pennsylvania Water & Power Company
Perington Building
Baltimore, Md.

40 Wall Street
New York, N. Y.
July 8, 1940

I, F. J. Allen, Secretary of the Pennsylvania Water & Power Company, do hereby certify that the attached is a copy of extracts from the Minutes of a meeting of the Board of Directors of this Company, duly called and held on March 3, 1910, at which a quorum was present and voted throughout.

F. J. Allen
Secretary

Henry S. Gray
Witness

A meeting of the directors of the Pennsylvania Water & Power Company was held at the office of the Company No. 24 Exchange Place, New York City on March 3rd, 1910, at 2 o'clock P. M.

There were present: Messrs Aldred, Canby, Dow Kelly and Spence and also the secretary and treasurer of the company.

A call and waiver of notice of the meeting signed by all of the directors, was produced, and on motion, duly seconded, was ordered spread upon the minutes of the meeting. The following is a copy thereof:

Pennsylvania Water & Power Company.
Call and Waiver of Meeting of Directors.

A meeting of the directors of the Pennsylvania Water & Power Company, a corporation of Pennsylvania is hereby called to be held at No. 24 Exchange Place, in the City of New York on the 3rd day of March, 1910, at two o'clock in the afternoon, and the undersigned hereby waive notice of such meeting.

Dated, Feb. 24 th, 1910.

J. Marriott Canby,
Frank C. McCook, Jr.,
Fayette B. Dow
John H. Kelly,
Kenneth M. Spence,
J. E. Aldred.

The president reported that a certificate of the actual increase of the indebtedness of the corporation to \$7,580,000 had been filed in the office of the Secretary of the Commonwealth of Pennsylvania on February 4, 1910.

The president further reported that the stockholders, by a resolution adopted at a special meeting held on February 3, 1910, had changed the par value of the shares into which the capital stock of the company is divided, from the par value of fifty dollars per share to the par value of one hundred dollars per share and that a certificate of such change had been filed in the office of the Secretary of the Commonwealth on February 4, 1910.

The president further reported that pursuant to

the action of the stockholders in respect to the par value of the stock, all the outstanding stock certificates of the company, to-wit, certificates for 169,900 shares of the par value of fifty dollars each, had been called in and canceled, and that in exchange therefor certificates for 84,950 shares of the par value of one hundred dollars each had been duly issued.

The president further reported that the corporation had been duly registered in the office of the Auditor General of the Commonwealth of Pennsylvania.

There was submitted to the Board a letter, dated March 3, 1910, from the Committee under the Mc Call Ferry Power Company Plan and Agreement, with an account attached thereto. Said letter was ordered spread upon the minutes of this meeting. The following is a copy thereof:

March 3, 1910.

Pennsylvania Water & Power Company,
24 Exchange Place,
City.

Gentlemen:

Referring to the transactions, including the written contract, between yourselves and this Committee on January 13th, 1910, this Committee now submits its account, hereto attached, showing the disposition of all money received by it to date and showing a balance in hand of \$85,719.39. Of this balance a check to your order for \$62,658.30 is enclosed, being a further payment on account and part performance of said contract of January 13th, 1910. Said account shows that this Committee advanced to J. E. Aldred, while he was in possession, as Receiver, of the property conveyed to you on January 13th, 1910, \$600,000, to be expended by him. Mr. Aldred submits an account, dated March 3, 1910, and enclosed herewith, to yourselves and this Committee, of his expenditures of said advances, together with a letter of this date throwing light in the matter and setting forth certain other transactions. This Committee approves said account and the transactions shown therein, and has requested Mr. Aldred to pay directly to you the balance shown by said account as a further payment on account and part performance of said contract of January 13th, 1910.

Of the bonds and stock received by this Committee from you - the stock now being represented by voting trust certificates therefore this Committee has placed with the depositories for delivery to the depositories under the Plan and Agreement of McCall Ferry Power Company, \$3,330,000.00 in aggregate principal of the bonds and \$4,995,000.00 in aggregate par value of such Voting Trust Certificates. Arrangements have been made by Mr. Aldred calling for the purchase of an aggregate of \$4,170,000.00 of said bonds and \$3,300,000.00 of said voting trust certificates, at the price of ninety and accrued interest of the bonds. Several instalments of purchase price have been paid, and have been the source from which this Committee obtained its funds, and partial deliveries of bonds and voting trust certificates have been made against these payments. As further instalments are paid, this Committee will be in receipt of further money to be paid over as provided in said contract of January 13th, 1910.

Eighty of said bonds and the balance of \$23,861.09 now remaining in the hands of this Committee will be retained by the Committee for future accounting.

The Plan and Agreement provides that the amount of this Committee's compensation shall be subject to the approval of the board of directors of the New Company. The amount of this compensation appears in said account submitted herewith, and approval thereof is asked accordingly.

The Susquehanna Contracting Company notes mentioned in said account were secured by seven hundred and two (702) McCall Ferry Power Company bonds mentioned in the Plan and Agreement as being outstanding in pledge and to be discharged from pledge and cancelled. These bonds will be so cancelled and turned over to you, this Committee having taken said bonds and the Conowingo Land Company mortgage hereinafter mentioned in payment of said notes.

Said notes were also secured by a mortgage on the property of the Conowingo Land Company for \$25,000 principal and by pledge of the equity in a certain deposit of \$250,000 with the Knickerbocker Trust Company, with which you are

familiar. The said deposit has been discharged from the lien of said notes and a declaration of trust is delivered to you herewith, showing that said Conowingo Land Company mortgage is held for you.

Very truly yours,
Reorganization Committee, McCall Ferry
Power Company

By Wm. M. Barnum,
Chairman.

McCall Ferry Power Company Reorganization Committee.
Summary Cash Statement.

Receipts.

Proceeds of Committee's
Notes \$1,100,000.00
Proceeds of Bonds
\$2,220,000 par value
at 90 and int. 2,007,405.50.

Expenditures.

Payment of Committee's Notes
principal and interest \$1,103,763.88.
Payment of cash to Pennsyl-
vania Water & Power Co. in ap. 750,000.00.
Advances to J. C. Aldred, Receiver,
for use in construction, 600,000.00.
Purchase of Susquehanna Con-
tracting Co. Notes, at par and int. 422,983.32.
Payment to Special Master under
decree in foreclosure suit 15,000.00.
Settlement of claims against
McCall Ferry Power Co. 51,874.14.
Reorganization Expenses:
Payments to counsel, depositories,
Secretary, Montreal Trust Co., and
for travelling expenses, printing,
etc. \$38,064.77.
Committee's com-
pensation 40,000.00 78,064.77.
Balance of cash on hand 85,719.39,
(of which amount the Committee
propose to turn over to the
Pennsylvania Water & Power
Co. \$62,658.30,
and to retain for
future disposition 23,061.09)

\$3,107,405.50

\$3,107,405.50

Dated March 1st, 1910

(There was also enclosed with this letter a copy of the same account of J. E. Aldred with the Bondholders Committee, dated Dec. 31, 1909, which was enclosed with Mr. Aldred's letter to the Company, and which is copied below.)

On motion, ~~sub~~ seconded, it was Resolved, that the account attached to said letter and the transactions shown thereby (and by said letter, including the compensation paid to said Committee, be and the same are hereby approved, and that receipt of the sum of \$62,658.30, and of the declaration of trust showing the holding of the Conowingo mortgage for this Company, be and the same are hereby acknowledged, and that the secretary of this Company be directed to furnish to said Committee a certified copy of this resolution.

There were submitted to the Board a letter dated March 3, 1910, from J. E. Aldred to this Company, and the account of expenditures made by him of the money advanced to him by the said Committee, which account is mentioned in said letter and in the letter to this Company from the Committee heretofore ordered spread upon the minutes of this meeting.

Said letter was ordered spread upon the minutes of this meeting. The following is a copy thereof:

March 3rd, 1910.

Pennsylvania Water & Power Company.

Gentlemen:

While the foreclosure suite which resulted in the formation of your Company were pending and while I, through arrangements with the Reorganization Committee, was carrying forward the construction at considerable practical risk (inasmuch as no lien superior to that of the mortgage bonds could be had for the money expended,) matters and situations were met with which could not strictly be dealt with appropriately by the Committee, or by me as Receiver, or as part of the construction work carried on as just mentioned. These were of two classes: (1) Settlements and right-of-way purchases for the Columbia and Port Deposit Railway Company necessary to carry out the contract for change of track location and to release for the benefit of your company the large equity in the

fund of \$250,000 deposited to secure the performance of that contract, (2) acquisition of bonds of McCall Ferry Power Company.

It was obvious that the settlements and right-of-way purchases could be made much more advantageously while the outcome of the reorganization was not generally known to be assured than if postponed until after the actual existence of your company. In order to avail of these advantages and also to avoid the serious and costly delay in the foreclosure that would have resulted if one at least of these settlements had not been made, I proceeded, with the approval of the Committee as to the wisdom of each transaction, to make these settlements and purchases, taking whatever risk there may be of your company not adopting them and assuming the outlays and liabilities along with the acquisitions and advantages thereof. These right-of-way purchases and settlements were, in detail, as follows:

John H. Keimig, for land deeded to Columbia and Port Deposit Railway Company, was paid \$12,000.

The arrangement made with Paul Keime was as follows: For land deeded to Columbia and Port Deposit Railway Company by him and others he received \$20,000 in cash, and it was agreed that he should receive \$15,000 in bonds and \$10,000 in stock of the new company the bonds to carry interest from September 1, 1909. On October 13, 1909, I advanced him \$12,000, and on December 31st, \$2,000, constituting a loan on the security of said bonds and stock, he having the right to purchase the bonds and stock at any time within two years from October 13, 1909, upon payment of \$15,000 with interest at 5% from October 13, 1909. There was a further expense of \$75.00 in this matter.

In connection with the foregoing right-of-way acquisitions it was necessary to give, and I did give as Receiver, the following deeds:

Oct. 6, 1909, deed to York Furnace, Scriville & Red Lion Railroad Company of right-of-way over property formerly of the Company in Lower Chanceryford to bridge of York Furnace Bridge Company.

Oct. 6, 1909, deed to York Furnace Bridge Company of right to erect bridge.

H. S. Kerbaugh, Inc. had a judgment against the McCall Ferry Power Company for \$66,587.67, and had suit pending against the Company for a further amount of \$363,449.50 and interest. There was no dispute that the amount of the judgment was due to said Kerbaugh Company. The judgment had become a lien on the McCall Ferry Power Company's property and the claim was made on behalf of the Kerbaugh Company that the deposit of \$250,000 with the Knickerbocker Trust Company, mentioned above, could be held for the protection of this claim. I settled the claims of said Kerbaugh Company in full by paying to it the sum of \$35,051.17 and agreeing to deliver, or cause to be delivered, to said Company \$28,000 of bonds and \$41,200 of stock of the new company upon payment by said Kerbaugh Company at any time within a year from January 1, 1910, of \$35,000, with interest at 5% from October 6, 1909.

Thus my total expenditures in the foregoing settlements and right-of-way purchases have been \$82,126.17.

Before the final decree of foreclosure opportunities arose to acquire all of the sixty-six bonds of the McCall Ferry Power Company which had not been deposited under the Plan. I was advised that the deposit of all these bonds would surely simplify and shorten materially the remaining legal proceedings and might obviate serious delays therein which could result from litigious opposition, and would also obviate organized cooperation of the holders of these bonds in forcing the Committee to pay a high price at the sale—such a cooperation finding instigation in the fact that large sums had been expended in carrying on construction pending the foreclosure without the protection of any lien—which I was advised could not be obtained. Finally, I considered the aggregate price paid for these bonds to be probably below rather than above what might be expected to be the fair value of the equivalent new securities at or soon after their issue.

Accordingly, I purchased said sixty-six bonds at an aggregate cost of \$49,040.60. In connection with one of the purchases it became important

to retain Mr. M. H. Houseman, an attorney, for two years for a retainer of \$2,500.00. This I did, and hand you herewith the letter containing the terms of this retainer. I also made with Mr. Houseman the arrangement with respect to a possible further small payment for a certain lot of six bonds, set forth in the enclosed letter from me to him dated December 4th, 1909.

An approximate estimate of interest at five per cent. in connection with the foregoing payments is \$1,232.60.

All the foregoing I did with the intention of offering to turn over and make available all thereof to this Company, as soon as it should be in a position to act thereon, without any profit or advantage to myself, the Company to assume and make good my outlays and obligations as above set forth. This offer I now make, it being understood that the offer is not divisible—all must be taken, and assumed or none.

There is also submitted to you herewith an account showing my disbursements for and in connection with construction of the total of \$600,000 advanced to me by the Committee, and the Committee, as I understand, writes stating its approval of this account and that it has requested me to pay over to you the balance shown thereby. I also submit all the contracts (shown on schedule to said account) which I have made for or in connection with construction, and I ask your approval of said account and your adoption and assumption of said contracts, whereupon I shall pay over to you the balance of \$134,888.77 shown by said account.

Very truly yours,
J. E. Mearns

December 31st, 1909.

J. E. Aldred

in account with Bondholders Committee
on account of Pennsylvania Water & Power Company.Debit

For Disbursements

Engineering

R. S. Kelch	2,683.49
J. A. Walls	50.00
Cement Tests	1,532.03
Empire Eng. Corp.	<u>13,328.81</u>

\$17,594.33

Material, Labor, etc.

McCall Ferry Dredge	146,749.35
Water Wheel Contract	100,000.00
Stone	10,336.73
Insurance	<u>822.79</u>

257,908.87

Interest on advance
payments on Bonds

28,197.60

Cash funds transferred to
Penn. Water & Power Co.163,060.25

\$466,761.05

Credit

Cash advanced	600,000.00
Bank interest	288.04
Insurance rebate	739.18
Interest (estimated)	<u>1,222.60</u>
	601,649.82

Total credit 601,649.82

debit

466,761.05

Balance due Committee \$134,888.77

Contracts and Agreements Entered Into
By J. E. Aldred.

Aug. 19/09. Agreement with Virginia Portland Cement Co.

For purchase of Cement

Oct. 29/09.

R. A. & W. C. Cooper

For purchase of sand.

Dec. 1/09.

Harry Clark

For purchase of stone

Aug. 16/09. Contract with Empire Engineering Corp.
 Nov. 11/09. " J. P. Morris Company
 Nov. 18/09. " General Electric Company
 Nov. 27/09. " General Electric Company
 Nov. 28/09. " York Bridge Company

December 4, 1909.

Mr. J. E. Aldred,
 14 Exchange Place, City.

Dear Sir:

This is to acknowledge receipt of \$2500.00 paid me as a retainer for legal services to be hereafter rendered in and about matters within the states of Maryland and Pennsylvania; it being understood that you are to have a call on my service during a term of two years from date, on the condition that for such time as I may give in connection with work which may be allotted to me by you, I shall be paid a further consideration of \$25 per day during the time of such service. In this connection I beg to say, inasmuch as you might call upon me at times when I might be engaged in other works, it is understood that the services to be rendered to you will require to fit in with my other engagements.

Yours very truly,
 M. H. Houseman.

December 4, 1909.

M. H. Houseman, Esq.,
 11 Pine St., City.

Dear Sir:

In reference to the \$6,000.00 of first mortgage bonds of the McCall Ferry Power Company, now in the hands of Frank Gosnell, Esq., Trustee, Baltimore, Maryland, which bonds you heretofore deposited with the said Gosnell, Trustee, to secure an obligation on your part of \$6,000.00:

It is hereby understood that these bonds are to be sold to satisfy said obligation and it is agreed in case I should purchase these bonds, at either Public or Private Sale, for less than

their par value, and in which case the said Gosnell may hold you liable for your obligation up to the full amount of \$6,000.00, in that event I agree upon such purchase by me of said bonds to reimburse you to the extent of your obligation to said Gosnell. But in the event that you satisfy your said obligation for a less amount than the \$6,000.00, I will divide with you the amount of the difference between \$6,000.00 and the total amount necessary to satisfy the said obligation.

Yours very truly,
J. E. Aldred.

On motion, duly seconded and unanimously adopted, except that Mr. Aldred did not vote, it was

Resolved, that the offer of Mr. Aldred to this Company, stated in said letter, be and the same is hereby accepted, and that this Company take over and adopt and avail of the settlements, purchases and transactions set forth in said letter as made by Mr. Aldred in the expectation of making his said offer in respect thereto, and that this Company forthwith pay to Mr. Aldred the sum of \$134,888.77 expended by him as shown in said letter, and assume and fully perform and carry out all of the obligations of Mr. Aldred as shown by said letter; and

Further, Resolved, that the said account of expenditures made by Mr. Aldred of moneys advanced to him by said Committee and the transactions shown thereby be and the same are hereby approved, and receipt is hereby acknowledged from Mr. Aldred of the balance shown by said account; and

Further, Resolved, that the contracts made in connection with construction shown on the schedule attached to said account, and all thereof, be and the same are hereby adopted and assumed by this Company, and that the secretary of this Company be and he is hereby directed to furnish to Mr. Aldred a certified copy of these resolutions.

Report of Foreclosure Sale

UNITED STATES CIRCUIT COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA.

KNICKERBOCKER TRUST COMPANY,
Complainant,

vs.

MC. CALL FERRY POWER COMPANY,
Defendant.

) On Bill to Foreclose.
) IN EQUITY.

) Apl. Sess. 1909.
) No. 329.

In pursuance of a decree made by the said Court in the above stated cause and bearing date the Twelfth day of October 1909, by which it was, among other things, ordered, adjudged and decreed that all the property, both real and personal, owned by the McCall Ferry Power Company wheresoever situated and every part and parcel thereof, including all the property particularly described in said decree as subject to the lien of the mortgage or deed of trust, in said decree recited, should be sold together as an entirety by or under the direction of the undersigned, who was appointed Special Master, for that purpose, at public auction at the front door of the County Court House in the City of Lancaster, in the County of Lancaster, in the Eastern District of Pennsylvania, and that the Special Master should give notice of the time and place of said sale by publication of a notice of such sale, containing a brief general description of the property to be sold, to be published once in each week for at least six successive weeks prior to such sale in one newspaper in each of the cities of New York, Boston, Philadelphia, Baltimore and Lancaster; and that after such sale shall have been made, the Master should report the same to the Court for confirmation.

I, Henry P. Brown, Master as aforesaid, do hereby report to the said Circuit Court that I advertised the public sale of all and singular the said mortgaged property and the premises specifically described in said decree, at the front door of the County Court House in the City of Lancaster, in the County of Lancaster, in the Eastern District of Pennsylvania, on Tuesday, the 7th, day of December, 1909, at 12 o'clock, M., as follows; by causing a notice thereof containing a brief description of the property to be sold, to be published once in each week for six successive weeks prior to the said sale, on the following dates, to-wit; on October 26th, 1909, November 2nd, 1909, November 9th, 1909, November 16th, 1909, November 23rd, 1909, November 30th, 1909 and December 7th, 1909, (with the exception that the last insertion of the said notice was published in the Boston Transcript, on the 6th, day of December 1909, instead of on the 7th, day of December, 1909), in each of the following papers, to-wit:

The Public Ledger, a daily newspaper printed, published, regularly issued and having a general circulation in the City of Philadelphia, State of Pennsylvania.

The Sun, a daily newspaper printed, published, regularly issued and having a general circulation in the City of Baltimore, State of Maryland.

The Examiner, a daily newspaper printed, published, regularly issued and having a general circulation in the City of Lancaster, State of Pennsylvania.

The Transcript, a daily newspaper printed, published, regularly issued and having a general circulation in the City of Boston, State of Massachusetts.

The Times, a daily newspaper printed, published,

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regularly issued and having a general circulation in the City of New York, State of New York.

(A copy of the said notice and of the proof of publication thereof are attached hereto, marked Exhibits "A" and "B" respectively).

And I further return, certify and report that on the Seventh day of December, 1909, the day on which the said premises were so advertised to be sold as aforesaid, I, as said Master, attended at the time and place fixed for said sale and exposed said properties and premises for sale, at public sale, to the highest bidder, upon the terms and conditions in said decree and in said notice stated, and William M. Barnum then and there bidding the sum of Two Million Dollars, (\$2,000,000.), and no one bidding so much or more for the same, the said property and premises were struck off and sold to the said William M. Barnum at the price aforesaid.

I do further report that in accordance with the conditions of sale the said purchaser has paid to me as Special Master, the sum of Ten thousand Dollars (\$10,000.), and has deposited with me as Special Master, the sum of Two hundred thousand Dollars (\$200,000.), in principal amount of bonds of the McCall Ferry Power Company, secured by the mortgage described in said decree, with all coupons from December 15th, 1908, inclusive, attached thereto.

I do further report that the said purchaser has signed an acknowledgment of his purchase.

Respectfully submitted this seventeenth day of December 1909.

HENRY P. BROWN,

MICRO

TRADE

1,917

CARD
MARK **®**

MATTHEW BENDER & COMPANY
MB

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State of Pennsylvania,)
 : SS.
County of Philadelphia.)

HENRY P. BROWN, the above named Special Master,
being duly sworn, on his oath says that the property re-
ferred to in the foregoing report, was sold by him at the
highest and best price the same would then bring in cash.

Sworn and subscribed on
this
day of
A. D. Nineteen hundred
and Nine, before me.

Order of Court Confirming Foreclosure Sale

(McC & P. Co. - 13)

CIRCUIT COURT OF THE UNITED STATES

FOR THE EASTERN DISTRICT OF PENNSYLVANIA.

IN EQUITY.

KNICKERBOCKER TRUST COMPANY,

Complainant.

VS.

McCALL FERRY POWER COMPANY,

Defendant.

This cause coming on to be further heard on the report of sale filed this day by Henry P. Brown, Esq., Special Master, and upon the motion of the Complainant to confirm the sale described in said report, and it appearing to the Court that the defendant did not within ten days after the entry of the decree of foreclosure and sale in this cause, or at any time thereafter, pay, or cause to be paid, into the Registry of this Court the sums required by said decree of foreclosure and sale to be paid by the defendant, or any part thereof, and it appearing from said report that such sale was conducted and held, and notice thereof was given, in all respects in accordance with said decree of foreclosure and sale, and that the amount bid at said sale and reported by the Special Master, to wit, the

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sum of Two million dollars, bid by William M. Barnum, was the highest and best bid for the property, rights and franchises ordered to be sold by the Special Master, and it appearing from said report that the purchaser duly paid to the Special Master, as provided in said decree of foreclosure and sale, the sum of Ten thousand Dollars (\$10,000), and further deposited with the Special Master Two hundred thousand Dollars (\$200,000) in principal amount of bonds of the McCall Ferry Power Company, secured by the mortgage described in said decree of foreclosure and sale, with all coupons due on and after December 15, 1908, and the defendant having waived the right to file exceptions to the said report of the Special Master, and no cause being shown against said report, or against the granting of the motion of the Complainant to confirm the sale, and the Court having heard John G. Johnson, Esq., of counsel for the Complainant, and Loring C. Christie, Esq., of Winthrop & Stimson, of counsel for the Defendant, and Thomas M. Day, Esq., of counsel for the Purchaser,

Now, on motion of the counsel for the Complainant, it is

ORDERED, ADJUDGED AND DECREED that the said sale be, and the same hereby is, ratified, confirmed and approved, and all the proceedings of the Special Master, as shown by said report, are approved and confirmed; and it is further

ORDERED, ADJUDGED AND DECREED that the Special Master, out of the sum of cash paid or

to be paid to him by the Purchaser, pay the costs of this cause, as taxed by the Clerk of this Court, and also the costs of the causes between the same Complainant and the same Defendant, in the Circuit Courts of the United States for the Southern District of New York, and the District of Maryland, as taxed by the Clerks of said Courts, respectively, and also the expenses of sale, as reported by the Special Master, to wit, five hundred and fourteen $71/100$ dollars (\$514.71), and compensation to the Special Master for his services herein, which is hereby fixed at five thousand dollars (\$5,000), and also to the Complainant the amount of its disbursements made and obligations incurred as Trustee, including payments and obligations for the service of its solicitors and counsel herein and in said causes in the said Circuit Courts for the Southern District of New York and District of Maryland, as compensation to the Complainant, all of these items together amounting to the sum of eight thousand five hundred and eight $10/100$ dollars (\$8,509.10), to which aforesaid allowances no objection is made by the Defendant or by the Purchaser; and it appearing to the Court that the sum of Ten thousand dollars (\$10,000), heretofore paid by the Purchaser is not sufficient for the payment of the amounts above provided, it is further

ORDERED, ADJUDGED AND DECREED that the Purchaser pay to the Special Master the further sum of five thousand dollars (\$5,000) in cash or by a certified check upon some responsible bank, and the counsel for the Purchaser making it known to the court that the Purchaser is the holder of all of the bonds of the Defendant

secured by the mortgage described in the decree of foreclosure and sale, to wit, 9,027 bonds of the principal amount of One thousand dollars each, and all the coupons appurtenant thereto, which matured or are to mature, on and after December 15, 1908 (including the two hundred bonds and the coupons annexed thereto, heretofore deposited with the Special Master, as shown by his report), and offering in behalf of the Purchaser all of the said bonds and coupons as further payment of the purchase money, that is to say, offering as such payment the amounts which may hereafter be found herein to be distributable upon said bonds and coupons, such amounts to be deemed as paid thereon and said bonds and coupons to be stamped to show such payments and then to be returned to the Purchaser, it is further

ORDERED, ADJUDGED AND DECREED that the said bonds not so deposited, to wit, eight thousand eight hundred and twenty seven (8,827) bonds, for the aggregate principal amount of eight million eight hundred and twenty-seven thousand dollars (\$8,827,000), together with all the coupons appurtenant thereto which matured or are to mature on and after December 15, 1908, be delivered by the Purchaser to the Special Master, and that said bonds and coupons together with the bonds and coupons already deposited with the Special Master as aforesaid, be accepted in further payment or the purchase money not already paid in cash, or hereinbefore required to be paid in cash at the sum of the amounts which may be found herein to be distributable upon said bonds and coupons, and in full payment of such purchase money, ex-

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cept as the court may require further payment after settlement of the accounts of the Receiver, and the Special Master is hereby directed to retain possession of said bonds and coupons, until by further order the court shall instruct him as to the stamping thereof as aforesaid; and it appearing to the court that the portion of the purchase money necessary to be paid in cash, in addition to the sum of Ten thousand dollars already paid, and the sum hereinbefore required to be paid by the Purchaser, cannot be precisely ascertained and determined until the Receiver herein appointed shall have made report of his receipts and disbursements, and his accounts shall have been passed upon, it is further

ORDERED, ADJUDGED AND DECREED that after the payment by the Purchaser to the Special Master of the said sum of five thousand dollars (\$5,000) in cash, and the delivery by the Purchaser to the Special Master of the said eight thousand eight hundred and twenty-seven (8,827) bonds, together with the said coupons appurtenant thereto, upon demand of the Purchaser or his assigns, the Special Master shall make, execute, acknowledge and deliver to the Purchaser or his assigns, a deed or deeds duly conveying, assigning and transferring to him or them in fee simple all and singular the property, rights and franchises sold as aforesaid, and all the right, title and interest at law or in equity of the parties to this suit, of, in or to the same, or any part thereof, but said deed or deeds shall be made subject to the provisions of the decree of the Court of Common Pleas of Dauphin County, Pennsylvania, entered on the 14th day of January, 1907, in a certain

provements or repairs as they shall deem expedient, and to make such contracts in regard thereto as the New Company might make if already organized and in operation; and to cause the provisions of said Plan in respect to a voting trust and voting trust certificates to be carried out;

and generally to exercise all the powers of owners and holders of said bonds and stock, including power to vote at any meeting of bondholders, creditors or stockholders, and to use the same as the Committee may deem expedient in carrying out said Plan; the statement of particular powers herein not to limit the Committee from or in the exercise of any power which, in their judgment, may be desirable in accomplishing the purposes of said Plan and Agreement; nor shall the Committee be restricted in or in respect to dealing, under any of its powers, with or in respect to any property, security or indebtedness, by reason of any interest in any thereof of any member of the Committee or of any firm or corporation in which a member is interested; it being expressly agreed by all Depositors that the methods to be adopted for carrying out said Plan and Agreement are to be determined from time to time by the Committee in their sole discretion, and that the Committee shall have the right at any time to change any such determination should their judgment be changed by subsequent developments.

FOURTH.—Whatever shall be acquired in any way by the Committee under this agreement shall be acquired by them as joint tenants, and not as tenants in common, so as to remain the property of the said Committee, however the members thereof may be changed. The members of the Committee shall have reasonable compensation for their services from this time in carrying out said Plan, the amount of such compensation, however, to be subject to the approval of the Board of Directors of the New Company. Any member of the Committee may become a party hereto as a Depositor. Any member of the Committee may resign by writing addressed to the Committee. By appointment in writing signed by a majority of the Committee, additional members thereof may be appointed, and vacancies therein, occurring by death, resignation or otherwise, may be filled. The Committee may act by a majority thereof either at a meeting or in writing without a meeting. Any member may vote or act by proxy appointed in writing, who may be another member of the Committee or any other person approved by a majority of the Committee. No member of the Committee shall be liable for the act or omission of another member, nor shall the Committee or any member thereof, or either of the Depositories be liable for the act or omission of any agent or employe selected in good faith, or in any case except for its or his own willful misconduct.

FIFTH.—The Committee may construe this agreement, including said Plan, and their construction thereof, or action thereunder, in good faith, shall be final and conclusive; they shall have power to determine, and to act according to their judgment in, all matters not specifically provided for herein but within the general purpose set out in said Plan, and shall also have power to modify said Plan in any matter of detail not affecting the substantial rights of the other parties hereto.

SIXTH.—Holders of bonds or bonds and preferred stock of the McCall Power Company may become parties hereto at any time on or before July 1st, 1909, or such later date or dates as the Committee may fix, by signing this agreement, which it is understood may be signed in any number of parts, or by depositing, or causing the deposit of, their bonds or bonds and stock without such signing as above provided.

SEVENTH.—The Committee shall not be required to take any action in the interest of any of the stock de-

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suit in equity between the Commonwealth of Pennsylvania, Complainant, and the McCall Ferry Power Company and others, Defendants, and this Court reserves jurisdiction over and a lien upon said property to compel and secure the payment of such further sum as it may hereafter direct to be paid by the purchaser to complete payment of the purchase price, with the right to resell the same, or any part thereof, if such payment shall not be made within twenty days after order of this Court directing such payment, and it is further

ORDERED, ADJUDGED AND DECREED that after the delivery of said deed or deeds, the parties to this cause, and the Receiver appointed herein, are hereby required and directed to surrender and deliver possession of all and singular the property, rights and franchises so sold as aforesaid to the said Purchaser, or his assigns, upon the presentation of the said deed or deeds and demand made for such possession, provided, however, that said Receiver shall retain any money in his hands until, after his report shall have been made and passed upon, the court shall make further order with respect thereto, and it is further

ORDERED, ADJUDGED AND DECREED that the Complainant and the Defendant shall make, execute, acknowledge and deliver to the Purchaser or his assigns, a deed or deeds of conveyance, assignment and transfer, executed by them respectively, by way of confirmation and further assurance of title, to the Purchaser or his assigns, conveying and transferring to him or

them all the estate, right, title and interest of each of said companies, of in or to the property, rights and franchises sold as aforesaid, including all debts, claims and demands owing to the McCall Ferry Power Company, now or hereafter to become due; all choses in possession and in action, absolute or upon condition, vested or contingent, and all other property, real and personal, owned by the McCall Ferry Power Company; and that they and each of them shall execute such other instruments and do such acts as may be necessary or proper on their parts respectively to enable the Purchaser or his assigns to get possession of all property sold as aforesaid and to enforce any of the debts, claims, demands and choses in action so sold and hereinbefore mentioned; and it is further

ORDERED, ADJUDGED AND DECREED that said deed of the complainant operate as a full and complete execution of the power of sale contained in said mortgage or deed of trust, and that no covenant be implied therein as against the complainant; and it is further

ORDERED, ADJUDGED AND DECREED that the Receiver herein, after surrendering possession to the Purchaser or his assigns, as hereinbefore required, shall with all convenient speed make and file with the Clerk of this Court his final report of his doings as Receiver in this cause; and such report shall stand as approved as of course in case each of the parties to this cause by their solicitors shall file with the Clerk of this Court either a written approval or a waiver of the

right to except or object to said report or in case no written exception or objection to said report shall have been filed with said Clerk within ten days after the filing of said report; but if within such time any exceptions or objections shall have been so filed, then it is hereby referred to Henry P. Brown, Esq., who is hereby appointed Special Master for that purpose, to examine the report of said Receiver, and all accounts filed therewith, and take such testimony as may be offered in respect thereof and to report to the Court his conclusions with respect to the question raised by such exception or objection.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that all questions as to further payments to be made by the Purchaser, and as to the proceeds of sale and the distribution thereof, and the acts and accounts of said Receiver and the compensation to be allowed for his services and the services of his counsel, and as to the disposition of any money remaining in his hands not heretofore or hereby disposed of, are reserved, and that any party to this action, or the Special Master, or the Receiver, or the Purchaser or his assigns, may apply to the Court for such other or further directions as may be necessary, at the foot of this decree.

Dated the 18th day of December, 1909.

JAMES B. HOLLAND,
Judge.

Minutes of Organization of Pennsylvania Water & Power
Company, January 13, 1910

J. A. WALLS, PRESIDENT
J. L. HINTON, VICE-PRESIDENT
F. J. ALLEN, SECRETARY

J. E. O'CONNOR, TREASURER
F. J. ALLEN, SECRETARY

Pennsylvania Water & Power Company
Paragon Building
Baltimore, Md.

40 Wall Street,
New York, N. Y.
July 8, 1940

I, F. J. Allen, Secretary of the Pennsylvania Water & Power Company, do hereby certify that the attached are full and complete copies of the Minutes of (1) the organization meeting, (2) a meeting of the Board of Directors, and (3) a meeting of the stockholders of this Company, all duly called and held on January 13, 1910, at which quorums were present and voted throughout.

F. J. Allen
Secretary

Stewart G. Orr
Witness

Pennsylvania Water & Power Company.

P. 3110

Record of Organization Meeting.

At a meeting held at Room No. 228 in the Land Title Building, corner of Broad Street and Chestnut Street, Philadelphia, Pa., on January 13, 1910, at 3.30 o'clock P. M., after due publication of notice thereof according to law, there were present, Messrs. William M. Barnum, A. C. Bedford, S. Reading Bertrou, Charles A. Coffin and Gardiner M. Lane, being all the persons for or on whose account the material, rolling stock, property and franchises of the McCall Ferry Power Company were purchased at the sale thereof made December 7th, 1909, in the City of Lancaster, Pennsylvania.

Mr. Barnum was chosen Chairman and Mr. J. H. Kelly Secretary of the meeting.

The Chairman reported that the material, rolling stock, property and franchises of said McCall Ferry Power Company were sold at the City of Lancaster, Pennsylvania, on the 7th day of December, 1909, under and by virtue of the decree of the Circuit Court of the United States for the Eastern District of Pennsylvania, made October 12, 1909, in a suit entitled Knickerbocker Trust Company vs. McCall Ferry Power Company, and under and by virtue of the decree of the Circuit Court of the United States for the Southern District of New York made on the 15th day of October, 1909, in a suit between the same parties, and under and by virtue of a decree of the Circuit Court of the United States for the District of Maryland made on the 20th day of October, 1909, in a suit between the same parties. The Chairman further reported that, pursuant to the authority given to him by William M. Barnum, A. C. Bedford, S. Reading Bertrou, Charles A. Coffin and Gardiner M. Lane, as Committee under the McCall Ferry Power Company - Plan and Agreement dated May 28th, 1909, he had purchased the material, rolling stock, property and franchises of McCall Ferry Power Company so sold for and on account of the said Committee, and that a deed of said property and franchises to him by Henry P. Brown, Special Master, dated January 13, 1910, had been delivered to him on said

date and prior to this meeting, and that, prior to this meeting, he had executed and delivered a deed conveying said property and franchises to said Committee. A copy of said Plan and Agreement was ordered spread on the minutes of this meeting. The following is a copy thereof:

MCCALL FERRY POWER COMPANY,

PLAN AND AGREEMENT.

Agreement, made this 28th day of May, 1909, between WILLIAM M. BARNUM, A. C. BEDFORD, S. READING BERTRON, CHARLES A. COFFIN, and GARDINER M. LANE (hereinafter called the Committee), and the holders of first mortgage bonds and preferred stock of McCall Ferry Power Company becoming parties hereto (hereinafter called Depositors).

WHEREAS, additional funds are required to complete for operation the plant now of the McCall Ferry Power Company, and the Committee has prepared the following:

PLAN.

1. A new company—the term “New Company” being used herein to mean either the present company or any other that may be used—is to be vested with the properties of the present company and with cash as hereinafter stated, and will have authorized bonds and stock as follows: Thirty-Year First Mortgage Five Per Cent. Gold Bonds, \$12,500,000; Stock, all of one class, \$8,500,000; of which bonds at least \$4,920,000 are to be in the treasury of the New Company after the Plan is carried out.

2. The holders of the bonds of the present company who become parties to this Plan and Agreement and perform the obligations thereof will receive in exchange for their present bonds 40% of the principal thereof in such bonds and 60% of such principal in negotiable voting trust certificates for such stock of the New Company, all such new stock to be deposited under a voting trust terminating November 1, 1912, when the voting trust certifi-

cates will be exchangeable for the stock—the voting trust to provide for three voting trustees, two to be nominated by those furnishing the new money, and one by the Committee, and their successors to be nominated in the same interests respectively.

3. From \$4,170,000 to \$4,250,000 of such bonds, and \$3,500,000 of such stock of the New Company are to be for sale at a price to realize 90 per cent. of the principal of the bonds.

4. The disposition of the securities of the New Company, in accordance with the foregoing, is indicated in the following table:

<i>Parties.</i>	<i>Bonds.</i>	<i>Stock.</i>
To those furnishing the new money (\$3,753,000. at least).....	\$4,170,000	\$3,500,000
To holders of the present bonds (\$8,325,000)* 40% in new bonds and 60% in New stock.....	3,330,000	4,995,000
	\$7,500,000	\$8,495,000

* Certain additional bonds outstanding in pledge are not included, as they will be discharged from pledge and cancelled in carrying out said Plan and Agreement.

5. The Committee may cause fractional scrip to be issued to those entitled to fractional amounts of bonds or stock.

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NOW, THEREFORE, THIS INDENTURE WITNESSETH;

FIRST.—William M. Barnum, A. C. Bedford, S. Reading Bertron, Charles A. Coffin and Gardiner McLane agree to act as the Committee.

SECOND.—All holders of bonds or of bonds and preferred stock of the McCall Ferry Power Company, becoming parties hereto, hereby assent to said Plan and agree to forthwith deposit, or cause the deposit of, their bonds and preferred stock with the Knickerbocker Trust Company, No. 66 Broadway, New York, or with the City Trust Company, No. 50 State Street, Boston (hereinafter called the "Depositories"), it being understood that the receiving Depository shall, upon such deposit, issue Certificate or Certificates of Deposit evidencing the same, which Certificates shall be transferable, and shall entitle the holder to receive new securities in accordance with said Plan, or to receive back the bonds and stock deposited, as hereinafter provided. All certificates for stock shall be properly endorsed in blank for transfer. The mere deposit of any bonds or bonds and stock with one of the Depositories shall operate to make the depositor a party to this agreement, and shall, operate as a transfer of the bonds and stock so deposited to the Committee or its successors, and shall empower the Committee to exercise all the powers herein given. —

THIRD.—The holders of said bonds or bonds and stock, parties hereto, hereby severally vest in, said Committee, under the terms of this agreement, as trustee of an express trust, the legal title to all bonds and stock deposited or caused or agreed to be deposited by them respectively and give the Committee full power to do all things in the Committee's judgment necessary or proper to carry out said Plan, including power:

(a) at their discretion to acquire, or not to acquire, at public or private sale or otherwise the whole or any part of the properties of the McCall Ferry Power Company, including any on which it holds options, and to use deposited bonds, or any thereof, or any other resources, in such purchase or acquisition;

(b) to act for the Depositors in presenting coupons for payment, in requesting or instructing or otherwise moving the trustee under the mortgage securing said bonds with respect to action thereunder, and also to act for them in or in re-

spect to any action which may be brought for the foreclosure of said mortgage or in any other action which may be brought which in any way affects or may affect the rights and interests of the Depositors; to receive and receipt for any money to which said bonds or stock shall be at any time entitled; to execute and deliver any requests, consents, waivers or other writings—including consents to issuing Receivers' Certificates prior, or not, in lien—which it may seem to the Committee necessary or desirable to file in any Court or office or with the Trustee under said mortgage or elsewhere;

(c) to employ such agents, attorneys and counsel as the Committee deem best, to represent and act for, or authorize representation of and action for, the Depositors, or any of them, in any Court or elsewhere, with respect to all rights and interests in any way affecting said bonds or stock;

(d) so far as deemed expedient by the Committee, to contract, or otherwise provide, for the purchase, compromise, adjustment or payment, in full or in part, of any indebtedness of the McCall Ferry Power Company, or of any Receiver's certificates that may be liens on any of the mortgaged property, or for the extension of any such indebtedness as the obligation of the New Company, or for the redemption from pledge of any property or securities directly or indirectly belonging to said McCall Ferry Power Company;

(e) to sell, contract for the sale of, or otherwise dispose of, any new bonds and stock not required for the Depositors or reserved for the treasury under said Plan, and to contract for underwriting with respect thereto, and, in connection with any such contract for underwriting, to pay a reasonable commission therefor; any member or members of the Committee, or any persons or corporations who may be associated with or represented by them, to have the right to join in any such sale or contract.

(f) to borrow money in order to raise any cash required to pay the expenses of the Committee or to make any cash payment required upon any foreclosure or other sale, or to carry on any construction or other work, or purchase any property deemed necessary, or to enable the Committee to do any of the other things which they may be authorized to do, or generally for any purpose which the Committee may deem necessary or expedient in order to carry out said Plan; the Committee being hereby expressly authorized to pledge for the repayment of any or all sums so borrowed, any or all of the deposited bonds or stock, and any or all assets acquired by them, and any or all of the bonds or stock of the New Company received by them under said Plan and not specifically appropriated by the Plan or taken by the parties entitled thereto; but no Depositor shall be liable personally for or upon any debt of the Committee;

(g) to cause the new Company to be organized in such manner and with such powers as the committee may deem proper, or to adapt and use an existing company as such "New Company" and to fix the terms of its bonds and the mortgage securing the same, subject to the provisions of said Plan; to determine all questions pertaining to the management, operation or disposition of any property acquired by them until the New Company shall be organized and in possession and control of said property; to make such construction, im-

posited hereunder, nor shall it be under any obligation whatever to any holder of bonds or stock not a party to this agreement.

EIGHTH.—In case the Committee should at any time decide that it is not, for any reason, to the interest of the Depositors to carry out the said Plan, they may either

(1) declare this agreement terminated, in which case all bonds and stock deposited hereunder shall be delivered and transferred to the several holders of Certificates of Deposit upon surrender of said Certificates, and upon payment of their due proportion of the obligations already incurred, to be determined by the Committee; or

(2) file a new agreement with the Depositories, mail a copy of the same in a postpaid wrapper to each Depositor to the address, if any, filed with either of the Depositories, or, if no such address has been so filed, then to the address last known to the Committee, whereupon the Depositors shall have the right, within twenty days after the copies of such new agreement shall have been so mailed, to withdraw their bonds and stock upon payment of their due proportion of the obligations already incurred, to be determined by the Committee, and in the event of failure to so withdraw within such twenty days, every Depositor so failing shall be deemed to have assented to and ratified such new agreement, and such assent and ratification shall be deemed final and irrevocable.

NINTH.—In case the Committee shall deem it desirable or proper to give any notice to the Depositors or any of them, such notice shall be deemed to have been given if mailed in writing to such Depositors at the addresses, if any, filed in writing with a Depository for the purpose; or when no such address has been so filed, then to the address last known to the Committee.

TENTH.—Acceptance of new bonds and stock by any Depositor shall estop such Depositor from questioning the conformity thereof, as to character or otherwise, to any provision of this Plan and Agreement.

ELEVENTH.—After the reorganization shall have been completed, and all debts and liabilities incurred in connection therewith shall have been paid or discharged, all moneys, securities and other property not used or required for any of the purposes herein authorized and remaining in the hands of the Committee, are to be transferred to, or held for the benefit of, the New Company, under appropriate agreements for the protection and indemnity of the Committee.

TWELFTH.—Originals of this agreement are to be lodged with said Knickerbocker Trust Company of the City of New York, and with said City Trust Company of Boston, where they may be inspected by Depositors. This instrument may be signed in several parts with the same effect as if all signatures were hereon.

Upon transfer of any Certificate of Deposit the transferee shall succeed to all the rights of the prior holder and be subject to all the provisions hereof. The word "Depositors" herein includes the holders of record of the Certificates of Deposit issued hereunder outstanding at the time in question. The Committee and the Depositories may treat the holder of record of each Certificate of Deposit as the absolute owner thereof.

The Depositories shall severally hold and dispose of, subject to the order of a majority of the Committee, the bonds and certificates of stock deposited with it, and, in acting as Depositories hereunder, act respectively as agents for, and are answerable to, the Committee alone.

(7)
A writing signed by a majority of the Committee shall be sufficient evidence to the Depositories of an action of the Committee stated therein.

IN WITNESS WHEREOF, the parties of the first part (members of said Committee) have hereunto signed their names, and the various depositors, parties of the second part, have hereunto signed their names and written opposite thereto the amount of bonds and stock deposited by them, respectively, or have deposited, or caused the deposit of, their bonds and stock, the day and year first above written.

WILLIAM M. BARNUM,
A. C. BEDFORD,
S. READING BERTON,
CHARLES A. COFFIN,
GARDINER M. LANE

Said deeds were produced, and, on motion, duly seconded, it was ordered that the same be marked for identification and filed.

The Chairman further reported that this meeting had been called and notice thereof published as aforesaid, pursuant to the statutes of Pennsylvania applicable to such sale and purchase and constituting a corporation of the persons for or on whose account such property and franchises were purchased, for the purpose, as stated in the public notice thereof of organizing the new corporation by electing a president and board of six directors, adopting its corporate name and common seal, and determining the amount of the capital stock of the corporation, and also to determine as to making and issuing certificates therefor, and as to issuing bonds, and also to transact any other business which may properly and lawfully be acted upon by the meeting.

The meeting proceeded to the election of a president. Mr. J. E. Aldred was nominated for president. A ballot was taken and Mr. J. E. Aldred was unanimously elected president of the corporation constituted as aforesaid, to continue in office until the first Monday in May, 1910.

The meeting proceeded to elect a board of six directors to continue in office until the first Monday in May, 1910. A ballot was taken and the following were unanimously elected directors of the corporation so constituted, to serve until the first Monday in May, 1910: J. Edward Aldred, of New York, W. Marriott

Carby, of Philadelphia, Fayette B. Dow, of New York, John H. Kelly, of New York, Frank C. McCown Jr., of Philadelphia, and Kenneth M. Spence, of New York.

On motion, duly seconded and unanimously carried, it was

Resolved that the name Pennsylvania Water & Power Company be and the same hereby is adopted as the corporate name of said corporation.

On motion, duly seconded it was

Resolved that a common seal containing the following words: Pennsylvania Water & Power Company, Seal be adopted as the corporate common seal of said corporation. Such a seal was produced and here follows an impression thereof.



The following resolution was thereupon adopted:

Resolved that this corporation accept the provisions of the Constitution of Pennsylvania, adopted December 16, 1873, including Article 16 of said Constitution, and the President and Secretary are hereby authorized and directed to make, under the seal of the corporation, and to file in the office of the Secretary of the Commonwealth, the certificate required by law for the purpose aforesaid.

On motion, duly seconded and unanimously carried, it was

Resolved that the amount of the capital stock of said corporation be and the same hereby is determined to be \$8,500,000, to consist of 170,000 shares of \$50. each.

On motion, duly seconded and unanimously carried, it was

Resolved that there shall be duly executed, made, issued and delivered by said corporation to the said purchasers, namely, to the said persons present at this meeting and constituting the Committee aforesaid, \$7,589,000 in aggregate principal amount of bonds of said corporation, to be dated January 13th, 1910, payable on the first day of January, 1911, and to bear interest

from January 1st, 1910, at the rate of 5% per annum, and certificate or certificates for 169,900 shares of \$50 each of the capital stock of said corporation, such issues, and deliveries to be made in consideration of the expense and transfer to said corporation of all the property and franchises so purchased and to represent the interest of said purchasers therein, and also in consideration of the agreement of said Committee with said corporation to carry out, in favor of said corporation, the provisions of the paragraph numbered Eleventh of the aforesaid Plan and Agreement, dated May 28, 1909, reading as follows:

Eleventh: After the reorganization shall have been completed, and all debts and liabilities incurred in connection therewith shall have been paid or discharged, all moneys, securities and other property not used or required for any of the purposes herein authorized and remaining in the hands of the Committee, are to be transferred to, or held for the benefit of, the New Company, under appropriate agreements for the protection and indemnity of the Committee.

such agreement to be conditioned upon said Company's lawfully making a mortgage to secure an authorized bond issue of \$1,500,000 of Thirty Year First Mortgage Five Per Cent. Gold Bonds in accordance with the terms and provisions of said Plan and Agreement and exchanging bonds secured thereby, par for par, with the bonds so hereby directed to be issued and delivered, and such agreement to further provide that, in case it shall be desirable to fully carry out said agreement when some instalments of purchase price for bonds which have been contracted to be sold shall not yet be due, such agreement may be so performed in respect to such unmatured instalments by turning over or making available to said corporation all such contracts for the sale of bonds, together with the bonds and voting trust certificates necessary for delivery thereunder, so that said corporation shall be entitled to all such further instalments of purchase price as they fall due, and such agreement to provide further that, upon the same being so fully carried out, said corporation shall assume and agree to carry out all agreements made by said Committee acting under said Plan and Agreement and not then fully performed or provided for.

A form of such stock certificate was submitted, of which the following is a copy

No. _____ SHARES _____

Pennsylvania Water & Power Company

INCORPORATED UNDER THE LAWS OF PENNSYLVANIA

AUTHORIZED CAPITAL, \$8,500,000

SHARES - \$100 EACH

This Certifies

to be the owner of _____ full-paid and non-assessable shares of the stock of
PENNSYLVANIA WATER & POWER COMPANY, transferable only on the books of the Company
by the holder in person or by attorney on surrender of this certificate.

[SEAL] _____ With the seal of said Company and the signatures of its duly
authorized officers this _____ of _____ 191 _____

Treasurer. President.

No. _____ SHARES _____

Pennsylvania Water & Power Company

INCORPORATED UNDER THE LAWS OF PENNSYLVANIA

AUTHORIZED CAPITAL, \$8,500,000

SHARES - \$50 EACH

This Certifies

to be the owner of _____ full-paid and non-assessable shares of the stock of
PENNSYLVANIA WATER & POWER COMPANY, transferable only on the books of the Company
by the holder in person or by attorney on surrender of this certificate.

[SEAL] _____ With the seal of said Company and the signatures of its duly
authorized officers this _____ of _____

Treasurer. President.

On motion, duly seconded, it was
Resolved that the stock certificates of such cor-
poration be substantially in the form so submitted until
the form thereof shall be lawfully changed.

A form for the bond or bonds so to be issued
and delivered was submitted, of which the following is

NO.

UNITED STATES OF AMERICA

\$

Pennsylvania Water & Power Company

FIVE PER CENT. ONE YEAR GOLD BOND

For Value Received, PENNSYLVANIA WATER & POWER COMPANY promises to pay to bearer, or, in case this bond be registered, to the registered owner hereof, dollars in gold coin of the United States of America of the present standard, at its office or agency in the City of New York on the first day of January, in the year one thousand nine hundred and eleven, and to pay interest thereon in like coin from the first day of January, 1910, at the rate of five per centum per annum on the first days of July and January in each year until such principal shall be paid. Bonds not registered must be presented at said office for appropriate endorsement in order to obtain payment of interest thereon.

This bond is one of a series of bonds of like import and amount, the aggregate principal whereof shall not exceed \$7,580,000.

This bond may be registered on the books of said Company at its said office or agency and the registration noted hereon, after which no valid transfer can be made except on said books until after registered transfer to bearer.

In Witness Whereof, said PENNSYLVANIA WATER & POWER COMPANY has caused its corporate seal to be affixed hereto, attested by its Secretary, and these presents to be signed by its President this day of January, one thousand nine hundred and ten.

Att(

President.

Secretary.

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On motion, duly seconded, it was

Resolved that the bonds so to be issued and delivered be substantially in said form.

On motion, duly seconded and unanimously carried, it was

Resolved that such bonds and certificates of stock be so delivered forthwith upon delivery of the deed by the purchasers aforesaid conveying to said Pennsylvania Water & Power Company the properties and franchises so purchased and the execution and delivery of the agreement between said corporation and said Committee described in the foregoing resolution.

A code of By-Laws was submitted and on motion, duly seconded and unanimously carried, said By-Laws were adopted as the By-Laws of said Pennsylvania Water & Power Company, and it was ordered that a copy thereof be spread upon the minutes. The following is a copy thereof.

By-Laws.

Pennsylvania Water & Power Company.
A Corporation of Pennsylvania.

The annual meeting of the stockholders for the election of directors shall be held at the principal office of the company in Pennsylvania, on the first Monday in May in each year after the year 1909 at three o'clock in the afternoon, or at such other hour as the Board of Directors may fix prior to notice of the meeting.

Special meetings of the stockholders shall be called by the president or secretary, upon direction of the Board of Directors, or upon direction in writing of the holders of one-fourth of the outstanding stock of the company.

2. The principal office of the company shall be in the City of Lancaster in the County of Lancaster in the Commonwealth of Pennsylvania, until lawfully changed by amendment of this by-law or otherwise, and branch office or offices of the company may be maintained in such other place or places within or without the Commonwealth of Pennsylvania as the Board of Directors may fix.

3. The secretary or officer performing his

By-Laws read & amended by Resolution of the Board of Directors at their meeting on May 14, 1910

duties shall give notice of all stockholders meetings to each stockholder of record at least ten days before the date of such meeting, but meetings may be held at any time without notice if all the stockholders are present or if notice is waived by all those not present.

4. Meetings of stockholders shall be presided over by the president, or, in his absence by a vice-president or in the absence of president and all vice-presidents by a chairman to be elected by the persons actually present at the meeting who are stockholders or proxies of stockholders; each such person to have one vote in such election. The secretary of the Company shall act as secretary of such meetings, if present.

Stockholders may vote at any meeting in person or by written proxy. Holders of a majority of the issued stock of the company, present either in person or by proxy, shall constitute a quorum for a stockholders meeting, but a less number may adjourn to a later date fixed by them or without date.

As soon as may be after their election in each year the Board of Directors shall appoint two inspectors of stockholders votes and elections to serve until the final adjournment of the next annual stockholders meeting. If they fail to make such appointment or if their appointees, or either of them, fail to appear at any meeting of stockholders the chairman of the meeting may appoint inspectors or an inspector to serve with the one appearing, for that meeting.

5. The directors shall have the charge and management of the property and affairs of the company. The number of directors shall be six but this number may be changed from time to time by amendment of them by law, without action of the stockholders. An increase of the number of directors shall be deemed to create vacancies in the board to the extent of such increase, to be filled in the manner hereinafter provided. A majority of the directors in office at the time shall be a quorum.

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6. Vacancies in the Board of Directors may be filled, until the next annual stockholders' election only, by majority vote of a quorum of the Board.

7. Meetings of the Board of Directors shall be held upon the order of the Board, the Executive Committee, the president, a vice president, or three directors, and may be held either within, or without the State of Pennsylvania, and the secretary or officer performing his duties shall give reasonable notice of all meetings to each director, but a meeting may be held without notice immediately after the annual election, at the same place.

8. The Board of Directors may appoint an Executive Committee, to consist of the president and two directors, which committee shall have the powers of the Board of Directors when that Board is not in session. The term of office of the Executive Committee shall be the same as the term of office of the Board of Directors under which it acts. Such committee shall report to the Board and be subject to its directions, and the Board may fill vacancies therein.

9. The Board of Directors shall elect a president, one or more vice presidents, a secretary, a treasurer, and such other officers as may be required by law, or as may be deemed useful. The same person may be elected secretary and treasurer. Agents and employees may be appointed by or under the authority of the Board of Directors or Executive Committee. The term of office of all officers shall be the same as that of the Board of Directors electing them, and until their respective successors in office are elected. Vacancies of any of the officers above named may be filled by vote of a majority of a quorum of the Board. The compensation of all officers shall be fixed by the Board of Directors or the Executive Committee.

10. In addition to powers and duties conferred by law, the officers shall have such duties as usually pertain to their respective offices, and such duties and powers as may

By Res. 9 amended by Resolution
of the Board of Directors adopted
at their meeting of April 28, 1910

be assigned them by the Board of Directors or Executive Committee.

11. Stock of the company shall be transferable only on its books by the holder, in person or by attorney, upon surrender of the certificates therefor.

12. These by-laws may be amended or added to at any meeting of the Board of Directors, if notice of the proposed change has been sent to all the directors three days before the meeting, or if all the directors are present, or if all not present assent in writing to such change.

13. Any notice required by these by-laws shall be sufficiently given if addressed to the person to be notified and mailed or delivered to his residence, place of business or last known address at or within the time prescribed, and waiver of any such notice by the person to be notified shall be deemed equivalent to due and timely notice to him.

The meeting thereupon adjourned to meet again at 4.15 p.m. of the same day at the same place.

J. H. Kelly
Secy of meeting

A meeting of the directors of the Pennsylvania Water & Power Company was held at room 228 in the Land Title Building, corner of Chestnut Street and Broad Street, in the City of Philadelphia, on the 13th day of January, 1910, at 3.50 o'clock in the afternoon.

There were present: J. E. Aldred, H. Marriott Canby, John L. Kelly and Frank C. McCown, Jr.

The President, Mr. J. E. Aldred, presided.

A call of this meeting and waiver of notice signed by all the directors was read and ordered spread upon the minutes. The following is a copy thereof:

Pennsylvania Water & Power Company.
Call and Waiver of First Meeting of Directors.

A meeting of the directors of the Pennsylvania Water & Power Company, a corporation of Pennsylvania,

By law 1/2 amended
at Annual Meeting
Meeting 23rd Jan 1910

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is hereby called, to be held at Room 225 in the Land Title Building, in the City of Philadelphia, on the 13th day of January, 1910, at 2.50 o'clock P. M., and the undersigned hereby waive notice of such meeting.

Dated, Philadelphia, January 13, 1910.

Fayette B. Dow
Kenneth M. Spencer,
H. Marriott Canby,
Frank C. McCown, Jr.,
J. E. Aldred,
John H. Kelly.

The proceedings of a meeting of William M. Barnum, A. C. Bedford, S. R. Beston, Charles A. Coffin and Gardiner M. Lane, held at 3.30 p.m. of the same day and at the same place as the present meeting, were read.

The President stated that the election of a Secretary and a Treasurer would be in order. A ballot was taken and the following were elected, each to the office written after his name as follows: C. C. F. Clarke, Treasurer; Sherman L. Lewis, Secretary.

On motion, duly seconded and unanimously carried, it was

Resolved that there shall be duly executed, made, issued and delivered by this Company to William M. Barnum, A. C. Bedford, S. R. Beston, Charles A. Coffin and Gardiner M. Lane, constituting the Committee under the McCall Ferry Power Company Plan and Agreement dated May 28, 1909, seven million five hundred and eighty thousand dollars (\$7,580,000) in aggregate principal amount of bonds of this Company, dated this day, payable on the first day of January, 1911, and to bear interest from January 1st, 1910, at the rate of five per cent. per annum, and certificates for 169,900 shares of \$50 each of the capital stock of this Company, such bonds and stock to be delivered in consideration of and upon the delivery of a deed by said Committee conveying to this Company the properties and franchises formerly of the McCall Ferry Power Company sold at the foreclosure sale thereof in the City of Lancaster on the 7th day of December, 1909, and also in consideration of and upon the making and delivery between said Committee and this Company of an agreement substantially in the following form:

Agreement made the 13th day of January, 1910, between William M. Barnum, A. C. Bedford, S. Reading Burton, Charles A. Coffin and Gardner M. Dard, as a Committee as hereinafter set forth party of the first part, and Pennsylvania Water & Power Company, a corporation of Pennsylvania party of the second part.

The said Committee, party of the first part constituted such by the McCall Ferry Power Company Plan and Agreement, dated May 25th, 1909, a copy whereof is herewith annexed, having caused the said Pennsylvania Water & Power Company to be reorganized and formed under the law of Pennsylvania commonly known as the "Reorganization Statute" to be the "New Company" mentioned in the said Plan and Agreement, and it being proposed that said Company issue bonds and stock to said Committee, in consideration for the conveyance and transfer to it of all the property and franchises formerly of the McCall Ferry Power Company sold at foreclosure sale December 7th, 1909, and purchased for or on account of said Committee, and to represent the interest of said purchasers therein, and also in consideration of the making by said Committee of this agreement with said Company.

Now therefore in consideration of the premises and of the issue and delivery of such stock and bonds, and each in further consideration of the agreements of the other herein stated, said parties hereto mutually agree as follows:

Said Committee agree to fully carry out in favor of said Company the provisions of the paragraph numbered Eleventh of said Plan and Agreement, reading as follows:

Eleventh: After the reorganization shall have been completed, and all debts and liabilities incurred in connection therewith shall have been paid or discharged, all moneys, securities and other property not used or required for any of the purposes herein authorized and remaining in the hands of the Committee, are to be transferred to or held for the benefit of the New Company, under appropriate agreements for the protection and indemnity of the Committee.

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2. The foregoing agreement of said Committee, however, is made only upon the condition that said Company shall hereafter, through appropriate action of its stockholders and directors, lawfully make an issue of \$12,500,000 in aggregate principal of thirty-year first mortgage four per cent. gold bonds, and make a mortgage securing the same all in accordance with the terms and provisions of said Plan and Agreement, and shall deliver to said Committee in exchange for all the unsecured bonds so as aforesaid issued by said Company to said Committee bonds so made and secured by such mortgage, such exchange to be on the basis of one dollar of principal of such mortgage bonds for each one dollar of principal of said unsecured bonds, adjustment to be made of difference if any of accrued interest; and said Committee shall not be bound by this agreement unless the condition hereinbefore in this paragraph stated shall be fully performed within a reasonable time.

3. Said Company agrees that in case of the affirmative action of its stockholders pursuant to the requirements of law of the State of Pennsylvania, it will in all respects comply with and carry out the condition stated in the foregoing paragraph heretofore.

4. Contracts having been made for the sale of mortgage bonds to be made and secured by the New Company in accordance with the provisions of said Plan and Agreement, together with Voting Trust Certificates for stock of said Company, upon which contracts instalments of purchase price have been paid in advance of the existence of such New Company or such bonds or certificates, and the remaining instalments are to fall due hereafter, it is mutually agreed by the parties hereto that in case said Committee shall desire to fully carry out and perform this agreement on its part while some instalments of purchase price under said contracts for the sale of bonds and certificates, or any thereof shall not yet be due this agreement may and shall be deemed to be fully performed on the part of said Committee.

in respect of unpaid instalments of such purchase price, as fully as if said Committee, having received such instalments of purchase price, had turned them over to said Company, if said Committee shall turn over or make available to said Company all such contracts for the sale of bonds and certificates, together with the bonds and certificates necessary for delivery thereunder, so that said Company shall be entitled to all further instalments of purchase price as they fall due.

5. Said Company further agrees that upon this agreement being carried out by said Committee, said Company will assume and agree to carry out and fully perform all agreements made by said Committee (other than its agreements herein contained) acting under said Plan and Agreement and not then fully performed or provided for.

This agreement, conditionally as hereinbefore provided, is binding on the members of said Committee, party of the first part, only in their capacity as members of such Committee, and not on them or any of them personally.

In Witness Whereof said parties have duly executed this agreement in duplicate the day and year first above written.

Pennsylvania Water & Power Company
(Seal) By J. E. Aldred,
President.

Attest.

Sherman D. Lewis,
Secretary.

On motion, duly seconded, it was Resolved that the officers of this Company be and they are hereby severally authorized and directed to make and deliver an agreement with said Committee in substantially the form foregoing coincidently with the delivery to this Company of the deed by said Committee described in the last foregoing resolution.

Forms of bonds and stock certificates were submitted, and on motion, duly seconded, said forms were ordered to be marked for identification by the Secretary and filed.

On motion, duly seconded, it was Resolved that the bonds and stock certificates

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to be issued and delivered as provided in the foregoing resolutions shall be substantially in the forms so submitted, and the President, Secretary and Treasurer of this Company be and each of them is hereby authorized to execute such bonds and stock certificates and deliver the same on behalf of this Company.

On motion, duly seconded, it was

Resolved that this corporation accepts the provisions of the Constitution of Pennsylvania adopted December 16, 1873 including Article 16 of said Constitution; and the President and Secretary are hereby authorized and directed to make, under the seal of the corporation and to file in the office of the Secretary of the Commonwealth, the certificate required by law for the purpose aforesaid.

On motion, duly seconded, it was

Resolved that the Treasurer of this Company be and he is hereby authorized to pay forthwith to the State Treasurer of the Commonwealth of Pennsylvania the sum of \$28,533.33, being the bonus tax required to be paid in respect to the authorized capital stock of this Company and that said officer be and he is hereby authorized to borrow the money necessary for this purpose from the Committee under McCall Cherry Power Company Plan and Agreement dated May 28th, 1909, and give this Company note or other obligation therefor.

On motion, duly seconded, it was

Resolved that this corporation, within one calendar month, make a certificate of its organization under its common seal, attested by the signature of its President and Secretary, and duly acknowledged as the act of the corporation, specifying the date of such organization, the name adopted, the amount of capital stock and the names of its President and directors, and that the same be filed in the office of the Secretary of State of the Commonwealth of Pennsylvania.

Adjourned.

Sherman D. Reed
Secretary

At 4:15 p.m. of the same day the said meeting reconvened as a meeting of all the stockholders of said corporation, said William M. Barnum, A. C. Bedford, S. Reading Bertram, Charles A. Coffin and Gardner M. Lane being present.